

# **ANZSCO COMPREHENSIVE REVIEW – CONSULTATION ROUND 4**

Effective date: 04/09/2024

Submitted to: Australian Bureau of Statistics



## FAAA response to ABS ANZSCO online survey questions

(Note: Questions 1-8 relate to contact information.)

### 8. *How do you or your organisation intend to use the classification?*

#### a. *Please indicate which levels of the classification hierarchy you use and why (i.e. major group, sub-major group, minor group, unit group, occupation level)*

Under the proposed change, FAAA would use major group, sub-major group, minor group, unit group and occupation level classifications. Our core interest relates to Finance Professionals and Financial Advisers.

Under the proposed ANZSCO classification model, Financial Advisers are classified in both the unit group (2121) and occupation (212131) level. Financial Advisers fall under the minor group level of Financial Services and Investment Specialist (212), and major group level of Professionals (2).

We are also interested in the occupation level classification 531932 Paraplanner. Paraplanner falls under the minor group level 531 Financial Service and Insurance Workers, and major group level 5 Clerical and Administrative Workers.

#### b. *Please describe any constraints to your usage in relation to the specific segment or level of the classification you use (i.e. a particular sub-major group)*

There is a critical need for the ANZSCO to be consistent with the legislated education requirements for financial advisers, as per section 921B of the Corporations Act. This includes that the person “has completed a bachelor or higher degree, or equivalent qualification, approved by the Minister” (s921B(2)(a)(i)).

While we welcome the proposed changes to the structure of the ANZSCO, the proposed wording to both the unit group of 2121 Financial Advisers, and the occupation 212131 Financial Adviser, include:

*Skill Level 1: Bachelor Degree, higher qualification, or at least five years of relevant experience.*

This is incorrect as it does not reflect s921B of the Corporations Act. The last point in the skill level description – “*or at least five years of relevant experience*” - should be removed.

We are aware that education providers use the ANZSCO occupations to promote their courses to prospective students, particularly international students. It is essential that such individuals are aware of the strict legal requirements they must meet to fulfil the occupation of Financial Adviser. Incorrect skill requirements on the ANZSCO could result in a person who relies on this information not meeting the legislated requirements to practice.

While we appreciate the difference in skills represented in the 5 Clerical and Administrative Workers and 2 Professionals major group levels, we are concerned about the disconnect between the occupation classifications 212131 Financial Adviser and 531932 Paraplanner, particularly as paraplanning is often used as a career pathway to becoming a Financial Adviser.

This disconnect also increases the risk that users of the ANZSCO may not be aware of the existence of the new Paraplanner (531932) occupation, and its relationship with the occupation of Financial Adviser (212131), which may impact the quality of the data collected.

It would be helpful to include at the bottom of the classification - "related occupations" with a link between each related occupation.

9. *What is your preferred method of consuming the classification?*

- a. *Examples of methods include: Google search, ABS website search, coding tool, API, Excel file, JSON file format, other*

Previously, FAAA representatives have used Google, ABS website search and Excel downloads to consume data on the ANZSCO.

While we have not utilised an automated feed into an FAAA software program, if we did, we would likely use JSON or conduct this via an API. However, if there was a charge to use an automated feed of the ANZSCO classification, this could inhibit our ability to maximise the potential usage of this service.

- b. *Please indicate the reasons for using your preferred format/s and consumption method/s and the reasons for your preferred or non-preferred formats*

FAAA representatives use the ANZSCO Classification for:

- Visa and immigration purposes
- Employment data
- information about emerging labour trends and university courses.

- c. *Please include positive or negative impacts of your preferred method or format*

No comment.

## **Proposed changes, structure and implementation of the classification:**

10. *Will the new groupings in the draft structure impact the way you or your organisation uses the classification?*

- a. *Please indicate if the impact is positive, negative or neutral and why*
- b. *Please describe which specific groupings in the proposed structure may impact the way you or your organisation use the classification*

Currently, unit group 2223 Financial Investment Advisers and Managers includes the following occupations:

- 222311 Financial Investment Adviser (alternative title Financial Planning Adviser)
- 222312 Financial Investment Manager (alternative title Portfolio Manager)

These occupation names, titles and associated skills included in the current ANZSCO, do not reflect provisions in the Corporations Act or current roles and practices in the financial services industry. This classification mixes up unrelated roles across different parts of the financial services industry.

The provision of personal financial advice is heavily regulated in Australia. The titles used for the occupations that can legally provide personal financial advice are protected by law<sup>1</sup> and must only be used by individuals within the industry who meet the mandated education and training, registration and professional standards set in s921B of the Corporations Act.

The current ANZSCO also incorrectly:

- combines the occupation of financial adviser with investment adviser, and
- assumes the title of 'adviser' is of a lower seniority to that of 'manager'.

We understand that the term 'manager' traditionally reflects seniority within the workplace however the term 'manager' is not used by financial advice professionals. Seniority of the person that provides the professional service to the client is commonly indicated by a pre-fix such as 'Senior financial adviser'. The term 'manager' may be used by a person involved in the operation of the business, such as office manager. Investment Manager and Portfolio Manager are more likely to describe people working within asset management companies, who are managing investment portfolios on behalf of investors, rather than financial advisers who are providing strategies and recommending investment products to their clients.

The change to include a new unit group 2121 Financial Advisers will result in a structure that more accurately differentiates the occupation of Financial Adviser to reflect the skill and education requirements placed on these professionals by the Corporations Act, and the tasks they perform. This will positively impact all users of the ANZSCO as it will align with the legal definition and education requirements for financial advisers.

This will result in more accurate data to inform industry, the education sector, government, business and existing and potential financial advisers on critical matters including skills shortage, migration, workforce participation and movement, and the demand for education. Currently this data is collected in an indiscriminate and inconsistent manner by industry participants, with minimal year on year tracking capability, reducing the evidence needed for policy and investment certainty.

As it underpins the breadth of government policy, the ANZSCO is very heavily used and relied upon by a diverse range of stakeholders and users, not just for data purposes but as a source of accurate occupation information. There have been examples of education providers using the ANZSCO Classifications to attract international students into Australian financial advice courses. The introduction of the unit group 2121 Financial Advisers and occupation 212131 Financial Adviser will assist in ensuring accurate information is being promoted about the legal requirements for practising as a financial adviser in Australia.

*11. Do you have any feedback on the proposed web page layout of the classification?*

- a. Please provide any positive or negative impacts the web page layout of the classification might have on your use*

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<sup>1</sup> S923C of the Corporations Act

The capability for users to search for a particular occupation, and scroll up through the sections in the left-hand side panel, is a helpful tool that allows users to see the hierarchy the occupation belongs to and for understanding the structure of the ANZSCO.

- b. *Please include any positive or negative impacts the web page layout might have on how you navigate through the classification*

As discussed in response to question 8b), the different hierarchy of the occupations of Financial Adviser and Paraplanner will mean we would heavily rely on the search functions to find these occupations.

The inclusion of the hierarchy level in the text box at the top of the page (ie. Above 'Latest release') is, in most circumstances only visible if you scroll up the page; or if you are very familiar with the numbering system for the hierarchy levels. While we appreciate the amount of critical content that must be included on each page, it would be helpful if the hierarchy level was more visible.

At the bottom on each page there is 'previous page' and 'next page', each with a title and link to the relevant page. It is unclear whether each 'previous' / 'next' page is the same or a different hierarchy level to the one being viewed. This information may be helpful.

Colour coding each level in the hierarchy may be helpful for users of the ANZSCO.

- c. *Please consider any positive or negative impacts regarding the order in which the information is displayed*

We support the order in which the information is displayed.

- 12. *Do you or your organisation have any key implementation concerns about the proposed structure?*

- a. *Please describe any positive or negative impacts regarding the implementation of the proposed structure*

As discussed above, we are concerned about the potential disconnect between the Financial Adviser and Paraplanner occupations. It would be helpful to include at the bottom of the classification - "related occupations" with a link between each related occupation.

- b. *Please provide details to help us understand why implementing the new classification is a concern to you*

The FAAA supports the implementation of the proposed ANZSCO structure as it would ensure it is consistent with legislated titles, education and professional standards (for FAAA's occupations of interest) and reflect current roles and practices in the financial services industry.

## **Other Information**

- 13. *Is there any other information to help support your feedback?*

No comment.